



QUARTERLY STATEMENT  
AS OF September 30, 2007  
OF THE CONDITION AND AFFAIRS OF THE  
Health Plan of Michigan, Inc.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	52563	Employer's ID Number	38-3253977
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ] Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ] Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]					
Incorporated/Organized	12/31/1995		Commenced Business	12/31/1995		
Statutory Home Office	17515 W. Nine Mile Road, Suite 500 (Street and Number)		Southfield, MI 48075 (City, or Town, State and Zip Code)			
Main Administrative Office	17515 W. Nine Mile Road, Suite 500 (Street and Number) Southfield, MI 48075 (City or Town, State and Zip Code)					
Mail Address	17515 W.Nine Mile Road, Suite 500 (Street and Number or P.O. Box)		Southfield, MI 48075 (City, or Town, State and Zip Code)	(248)557-3700 (Area Code) (Telephone Number)		
Primary Location of Books and Records	Same, (City, or Town, State and Zip Code)		Same (Street and Number)	(248)557-3700 (Area Code) (Telephone Number)		
Internet Website Address	www.hpmich.com					
Statutory Statement Contact	Jon B. Cotton (Name) jcotton@hpmich.com (E-Mail Address)		(248)204-6011 (Area Code)(Telephone Number)(Extension) (248)557-4638 (Fax Number)			
Policyowner Relations Contact	17515 W. Nine Mile Road, Suite 500 (Street and Number) Southfield, MI 48075 (City, or Town, State and Zip Code)					
			(248)557-3700 (Area Code) (Telephone Number)(Extension)			

OFFICERS

Name	Title
David B. Cotton M.D.	President/CEO
Thomas Lauzon	Secretary/CIO
Janice Torosian	Treasurer/CFO

OTHERS

DIRECTORS OR TRUSTEES

George Ellis  
Thomas Lauzon  
Kimberly Harper #

State of Michigan  
County of Oakland ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) David B. Cotton, M.D. (Printed Name) 1. President (Title)	(Signature) Thomas Lauzon (Printed Name) 2. Secretary (Title)	(Signature) Janice Torosian (Printed Name) 3. Treasurer (Title)
--	--	--

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007  
a. Is this an original filing?  
b. If no, 1. State the amendment number  
2. Date filed  
3. Number of pages attached  
Yes[X] No[ ]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1.	Bonds .....	13,982,028		13,982,028	12,174,072
2.	Stocks:				
2.1	Preferred stocks .....	629,754		629,754	620,343
2.2	Common stocks .....				
3.	Mortgage loans on real estate:				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....32,853,930), cash equivalents (\$.....0) and short-term investments (\$.....10,000,000) .....	42,853,930		42,853,930	32,380,435
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Other invested assets .....	9,638,744		9,638,744	7,854,291
8.	Receivables for securities .....				
9.	Aggregate write-ins for invested assets .....				
10.	Subtotals, cash and invested assets (Lines 1 to 9) .....	67,104,456		67,104,456	53,029,141
11.	Title plants less \$.....0 charged off (for Title insurers only) .....				
12.	Investment income due and accrued .....	156,237		156,237	117,165
13.	Premiums and considerations:				
13.1	Uncollected premiums and agents' balances in the course of collection .....				
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
13.3	Accrued retrospective premiums .....				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers .....				
14.2	Funds held by or deposited with reinsured companies .....				
14.3	Other amounts receivable under reinsurance contracts .....				
15.	Amounts receivable relating to uninsured plans .....				
16.1	Current federal and foreign income tax recoverable and interest thereon .....				
16.2	Net deferred tax asset .....				(723,000)
17.	Guaranty funds receivable or on deposit .....				
18.	Electronic data processing equipment and software .....				
19.	Furniture and equipment, including health care delivery assets (\$.....0) .....				
20.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
21.	Receivables from parent, subsidiaries and affiliates .....				
22.	Health care (\$.....0) and other amounts receivable .....	448,436		448,436	991,935
23.	Aggregate write-ins for other than invested assets .....	863,469	849,917	13,552	13,552
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	68,572,598	849,917	67,722,681	53,428,793
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26.	Total (Lines 24 and 25) .....	68,572,598	849,917	67,722,681	53,428,793
DETAILS OF WRITE-INS					
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				
2301.	Deposits .....	13,552		13,552	13,552
2302.	Acquired Membership Value .....	670,260	670,260		
2303.	Long Term Investment Fair Value Adjustment .....	179,657	179,657		
2398.	Summary of remaining write-ins for Line 23 from overflow page .....				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	863,469	849,917	13,552	13,552

**LIABILITIES, CAPITAL AND SURPLUS**

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	28,397,717		28,397,717	17,451,819
2.	Accrued medical incentive pool and bonus amounts .....	1,500,000		1,500,000	837,200
3.	Unpaid claims adjustment expenses .....	418,400		418,400	436,000
4.	Aggregate health policy reserves .....				
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserve .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....				
9.	General expenses due or accrued .....	181,357		181,357	3,760,252
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....	270,502		270,502	500,000
10.2	Net deferred tax liability .....	723,000		723,000	
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....				
16.	Payable for securities .....				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
18.	Reinsurance in unauthorized companies .....				
19.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
20.	Liability for amounts held under uninsured plans .....				
21.	Aggregate write-ins for other liabilities (including \$.....0 current) .....				
22.	Total liabilities (Lines 1 to 21) .....	31,490,976		31,490,976	22,985,271
23.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
24.	Common capital stock .....	X X X	X X X	44,700	44,700
25.	Preferred capital stock .....	X X X	X X X		
26.	Gross paid in and contributed surplus .....	X X X	X X X	251,363	251,363
27.	Surplus notes .....	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
29.	Unassigned funds (surplus) .....	X X X	X X X	35,935,642	30,147,459
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0) .....	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0) .....	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30) .....	X X X	X X X	36,231,705	30,443,522
32.	Total Liabilities, capital and surplus (Lines 22 and 31) .....	X X X	X X X	67,722,681	53,428,793
DETAILS OF WRITE-INS					
2101.	.....				
2102.	.....				
2103.	.....				
2198.	Summary of remaining write-ins for Line 21 from overflow page .....				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) .....				
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page .....	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	1,151,361	940,786
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	237,746,905	157,007,640
3.	Change in unearned premium reserves and reserves for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....	(14,277,755)	(9,990,916)
7.	Aggregate write-ins for other non-health revenues .....	X X X .....		
8.	Total revenues (Lines 2 to 7) .....	X X X .....	223,469,150	147,016,724
<b>Hospital and Medical:</b>				
9.	Hospital/medical benefits .....		149,662,505	81,504,062
10.	Other professional services .....		1,030,049	1,019,617
11.	Outside referrals .....		10,026,063	9,880,013
12.	Emergency room and out-of-area .....		5,180,088	4,790,229
13.	Prescription drugs .....		31,740,358	25,293,892
14.	Aggregate write-ins for other hospital and medical .....		89,590	82,649
15.	Incentive pool, withhold adjustments and bonus amounts .....		2,654,182	2,392,760
16.	Subtotal (Lines 9 to 15) .....		200,382,835	124,963,222
<b>Less:</b>				
17.	Net reinsurance recoveries .....		194,087	137,333
18.	Total hospital and medical (Lines 16 minus 17) .....		200,188,748	124,825,889
19.	Non-health claims (net) .....			
20.	Claims adjustment expenses, including \$.....0 cost containment expenses .....		1,095,270	659,815
21.	General administrative expenses .....		18,016,700	12,152,983
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23.	Total underwriting deductions (Lines 18 through 22) .....		219,300,718	137,638,687
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	4,168,432	9,378,037
25.	Net investment income earned .....		1,586,919	1,612,094
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....		17,509	(36,079)
27.	Net investment gains or (losses) (Lines 25 plus 26) .....		1,604,428	1,576,015
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29.	Aggregate write-ins for other income or expenses .....		6	6
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	5,772,866	10,954,058
31.	Federal and foreign income taxes incurred .....	X X X .....	2,020,502	3,823,946
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	3,752,364	7,130,112
<b>DETAILS OF WRITE-INS</b>				
0601.	Quatlity Assessment Assurance Fee .....	X X X .....	(14,277,755)	(9,065,060)
0602.	MI Primary Care Assoc Assessment .....	X X X .....		(925,856)
0603.	.....	X X X .....		
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....	(14,277,755)	(9,990,916)
0701.	.....	X X X .....		
0702.	.....	X X X .....		
0703.	.....	X X X .....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....		
1401.	Devices - Hearing and Speech .....		89,590	82,649
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		89,590	82,649
2901.	Miscellaneous Income .....		6	6
2902.	Rental Income .....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....		6	6

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>				
33.	Capital and surplus prior reporting year .....	30,443,521	30,080,385	30,080,384
34.	Net income or (loss) from Line 32 .....	3,752,364	7,130,112	11,997,772
35.	Change in valuation basis of aggregate policy and claim reserves .....			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....	2,154,091	749,227	883,679
37.	Change in net unrealized foreign exchange capital gain or (loss) .....			
38.	Change in net deferred income tax .....			(359,000)
39.	Change in nonadmitted assets .....	(83,271)	495,267	625,000
40.	Change in unauthorized reinsurance .....			
41.	Change in treasury stock .....			
42.	Change in surplus notes .....			
43.	Cumulative effect of changes in accounting principles .....			
44.	Capital Changes:			
44.1	Paid in .....			
44.2	Transferred from surplus (Stock Dividend) .....			
44.3	Transferred to surplus .....			
45.	Surplus adjustments:			
45.1	Paid in .....			
45.2	Transferred to capital (Stock Dividend) .....			
45.3	Transferred from capital .....			
46.	Dividends to stockholders .....			(11,250,000)
47.	Aggregate write-ins for gains or (losses) in surplus .....	(35,000)	(1,534,314)	(1,534,314)
48.	Net change in capital and surplus (Lines 34 to 47) .....	5,788,184	6,840,292	363,137
49.	Capital and surplus end of reporting period (Line 33 plus 48) .....	36,231,705	36,920,677	30,443,521
<b>DETAILS OF WRITE-INS</b>				
4701.	Property Dividend to Stockholders .....	(35,000)	(1,534,314)	(1,534,314)
4702.	0 .....			
4703.	0 .....			
4798.	Summary of remaining write-ins for Line 47 from overflow page .....			
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	(35,000)	(1,534,314)	(1,534,314)

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance .....	223,469,150	204,725,815
2.	Net investment income .....	1,545,072	2,461,342
3.	Miscellaneous income .....		
4.	Total (Lines 1 to 3) .....	225,014,222	207,187,157
5.	Benefit and loss related payments .....	188,580,050	170,229,037
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	22,708,459	16,963,719
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	2,250,000	6,215,445
10.	Total (Lines 5 through 9) .....	213,538,509	193,408,201
11.	Net cash from operations (Line 4 minus Line 10) .....	11,475,713	13,778,956
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	939,814	2,263,681
12.2	Stocks .....	170,736	9,009
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		90,000
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....	387,466	0
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	1,498,016	2,362,690
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	2,799,762	5,754,616
13.2	Stocks .....	125,727	180,129
13.3	Mortgage loans .....		
13.4	Real estate .....		15,400
13.5	Other invested assets .....		103,521
13.6	Miscellaneous applications .....		0
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	2,925,489	6,053,667
14.	Net increase (or decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....	(1,427,473)	(3,690,977)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		11,250,000
16.6	Other cash provided (applied) .....	425,255	166,285
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	425,255	(11,083,715)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	10,473,495	(995,736)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	32,380,435	33,376,172
19.2	End of period (Line 18 plus Line 19.1) .....	42,853,930	32,380,435

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

Description		Amount 1	Amount 2
20.0001	.....		

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year .....	119,149								119,149	
2. First Quarter .....	125,602								125,602	
3. Second Quarter .....	129,334								129,334	
4. Third Quarter .....	130,550								130,550	
5. Current Year .....										
6. Current Year Member Months .....	1,151,361								1,151,361	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	1,007,450								1,007,450	
8. Non-Physician .....	795,293								795,293	
9. Total .....	1,802,743								1,802,743	
10. Hospital Patient Days Incurred .....	29,579								29,579	
11. Number of Inpatient Admissions .....	8,485								8,485	
12. Health Premiums Written (a) .....	238,250,049								238,250,049	
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	237,746,905								237,746,905	
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	188,580,049								188,580,049	
18. Amount Incurred for Provision of Health Care Services .....	200,382,835								200,382,835	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0.

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
RX America - Pharmacy .....	2,195,888					2,195,888
0199999 Individually Listed Claims Unpaid .....	2,195,888					2,195,888
0299999 Aggregate Accounts Not Individually Listed - Uncovered ....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	3,214,557	532,509	451,661	203,519	1,197,984	5,600,228
0499999 Subtotals .....	5,410,445	532,509	451,661	203,519	1,197,984	7,796,116
0599999 Unreported claims and other claim reserves .....						20,501,600
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						28,297,716
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						1,500,000



**UNDERWRITING AND INVESTMENT EXHIBIT**

**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1+3)	6  Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical) .....						
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....						
7.	Title XIX - Medicaid .....	17,964,031	169,073,071		28,397,717	17,964,031	17,451,818
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	17,964,031	169,073,071		28,397,717	17,964,031	17,451,818
10.	Healthcare receivables (a) .....		448,436				
11.	Other non-health .....						
12.	Medical incentive pools and bonus amounts .....	691,402	1,299,981		1,500,000	691,402	837,200
13.	Totals .....	18,655,433	169,924,616		29,897,717	18,655,433	18,289,018

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

# Notes to Financial Statement

There have been no material changes since the annual filing.

- Note 1 - Summary of Significant Accounting Policies - no change
- Note 2 - Accounting Changes and Corrections of Errors - this note is not applicable to the Company
- Note 3 - Business Combinations and Goodwill - this note is not applicable to the Company
- Note 4 - Discontinued Operations - this note is not applicable to the Company
- Note 5 - Investments - this note is not applicable to the Company
- Note 6 - Joint Ventures, Partnerships and Limited Liability Companies - no change
- Note 7 - Investment Income - this note is not applicable to the Company
- Note 8 - Derivative Instruments - this note is not applicable to the Company
- Note 9 - Income Taxes - no change
- Note 10 - Information Concerning Parent, Subsidiaries and Affiliates - no change
- Note 11 - Debt - no change
- Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences, and Other Postretirement Benefit Plans - this note is not applicable to the Company
- Note 13 - Capital and Surplus, Stockholders Dividend Restrictions, and Quasi Reorganizations - no change
- Note 14 - Contingencies - no change
- Note 15 - Leases - no change
- Note 16 - Information About Financial Instruments with Off-balance sheet Risk and Financial Instruments with Concentrations of Credit Risk - this note is not applicable to the Company
- Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - this note is not applicable to the Company
- Note 18 - Gain or Loss to the Reporting Entity from Uninsured A&H Plans and Uninsured Portion of Partially Insured Plans - this note is not applicable to the Company
- Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - this note is not applicable to the Company
- Note 20 - September 11 Events - this note is not applicable to the Company
- Note 21 - Other Items - no change
- Note 22 - Events Subsequent - this note is not applicable to the Company
- Note 23 - Reinsurance - no change
- Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination - this note is not applicable to the Company
- Note 25 - Change in Incurred Claims and Claims Adjustment Expenses - no change
- Note 26 - Intercompany Pooling Arrangements - this note is not applicable to the Company
- Note 27 - Structured Settlements - this note is not applicable to the Company
- Note 28 - Health Care Receivables - no change
- Note 29 - Participating Policies - this note is not applicable to the Company
- Note 30 - Premium Deficiency Reserves - this note is not applicable to the Company
- Note 31 - Anticipated Salvage and Subrogation - no change

**GENERAL INTERROGATORIES**  
(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

**PART 1 - COMMON INTERROGATORIES**  
**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[ ] No[ ] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:

.....
3. Have there been any substantial changes in the organizational chart since the prior quarter end?  
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes[ ] No[X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?  
If yes, attach an explanation.

Yes[ ] No[X] N/A[ ]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2004.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2004.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....10/03/2005.....
- 6.4 By what department or departments?  
State of Michigan Office of Financial and Insurance Services
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	. Yes[ ] No[X]	. Yes[ ] No[X]	. Yes[ ] No[X]	. Yes[ ] No[X]	. Yes[ ] No[X]

**FINANCIAL**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes[X] No[ ]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended?

Yes[ ] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[ ] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$..... 0

**INVESTMENT**

- 11.1 Has there been any change in the reporting entity's own preferred or common stock?

Yes[ ] No[X]
- 11.2 If yes, explain:
- 12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[ ] No[X]
- 12.2 If yes, give full and complete information relating thereto:
13. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$..... 0
14. Amount of real estate and mortgages held in short-term investments:

\$..... 0
- 15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[ ] No[X]
- 15.2 If yes, please complete the following:

**GENERAL INTERROGATORIES (Continued)**

		1	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21	Bonds .....		
15.22	Preferred Stock .....		
15.23	Common Stock .....		
15.24	Short-Term Investments .....		
15.25	Mortgages Loans on Real Estate .....		
15.26	All Other .....		
15.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26) .....		
15.28	Total Investment in Parent included in Lines 15.21 to 15.26 above .....		

16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes[ ] No[X]  
Yes[ ] No[ ] N/A[X]

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[ ]

1	2
Name of Custodian(s)	Custodian Address
Northern Trust .....	50 South LaSalle Street Chicago IL 60675 .....
LaSalle Bank N.A. ....	2600W. Big Beaver MO900-150 Troy MI 48084 ....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....	.....	.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

17.4 If yes, give full and complete information relating thereto:

Yes[ ] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....	.....	.....	.....

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
123286 .....	Roble, Belko and Co. ....	5700 Corporate Drvie Pittsburgh PA 15237 .....
104751 .....	Zazove Associates LLC .....	940 Southwood Blve Ste 200 Incline Village, NV 89451 .....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

18.2 If no, list exceptions:

Yes[X] No[ ]

STATEMENT AS OF **September 30, 2007** OF THE **Health Plan of Michigan, Inc.**

**SCHEDULE A - VERIFICATION**

Real Estate		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....		
2.	Increase (decrease) by adjustment .....		
3.	Cost of acquired .....		
4.	Cost of additions to and permanent improvements .....		
5.	Total profit (loss) on sales .....		
6.	Increase (decrease) by foreign exchange adjustment .....		
7.	Amount received on sales .....		
8.	Book/adjusted carrying value at end of current period .....		
9.	Total valuation allowance .....		
10.	Subtotal (Lines 8 plus 9) .....		
11.	Total nonadmitted amounts .....		
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column) .....		

**SCHEDULE B - VERIFICATION**

Mortgage Loans		1	2
		Year To Date	Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year .....		
2.	Amount loaned during period:		
2.1	Actual cost at time of acquisitions .....		
2.2	Additional investment made after acquisitions .....		
3.	Accrual of discount and mortgage interest points and commitment fees .....		
4.	Increase (decrease) by adjustment .....		
5.	Total profit (loss) on sale .....		
6.	Amounts paid on account or in full during the period .....		
7.	Amortization of premium .....		
8.	Increase (decrease) by foreign exchange adjustment .....		
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....		
10.	Total valuation allowance .....		
11.	Subtotal (Lines 9 plus 10) .....		
12.	Total nonadmitted amounts .....		
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column) .....		

**SCHEDULE BA - VERIFICATION**

Other Invested Assets		1	2
Description		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year .....	7,854,291	6,564,786
2.	Cost of acquisitions during period:		
2.1	Actual cost at time of acquisitions .....		53,521
2.2	Additional investment made after acquisitions .....		50,000
3.	Accrual of discount .....		
4.	Increase (decrease) by adjustment .....	1,784,453	1,275,984
5.	Total profit (loss) on sale .....		
6.	Amounts paid on account or in full during the period .....		90,000
7.	Amortization of premium .....		
8.	Increase (decrease) by foreign exchange adjustment .....		
9.	Book/adjusted carrying value of long-term invested assets at end of current period .....	9,638,744	7,854,291
10.	Total valuation allowance .....		
11.	Subtotal (Lines 9 plus 10) .....	9,638,744	7,854,291
12.	Total nonadmitted amounts .....		
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3) .....	9,638,744	7,854,291

**SCHEDULE D - VERIFICATION**

Bonds and Stocks		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	12,794,415	9,527,550
2.	Cost of bonds and stocks acquired .....	2,925,462	5,934,746
3.	Accrual of discount .....	10,361	3,120
4.	Increase (decrease) by adjustment .....	(17,813)	
5.	Increase (decrease) by foreign exchange adjustment .....		
6.	Total profit (loss) on disposal .....	17,494	(39,093)
7.	Consideration for bonds and stocks disposed of .....	1,110,551	2,272,690
8.	Amortization of premium .....	7,586	359,218
9.	Book/adjusted carrying value, current period .....	14,611,782	12,794,415
10.	Total valuation allowance .....		
11.	Subtotal (Lines 9 plus 10) .....	14,611,782	12,794,415
12.	Total nonadmitted amounts .....		
13.	Statement value .....	14,611,782	12,794,415

**SCHEDULE D - PART 1B**  
**Showing the Acquisitions, Dispositions and Non-Trading Activity**  
**During the Current Quarter for all Bonds and Preferred Stock by Rating Class**

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	22,487,071	768,486	523,103	365,038	20,856,152	22,487,071	23,097,492	21,185,301
2. Class 2 .....	233,352	46,469		(5,032)	58,380	233,352	274,789	
3. Class 3 .....		99,488		(34)			99,454	
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds .....	22,720,423	914,443	523,103	359,972	20,914,532	22,720,423	23,471,735	21,185,301
<b>PREFERRED STOCK</b>								
8. Class 1 .....	570,402		94,614	101,051	449,564	570,402	576,839	556,453
9. Class 2 .....	66,525			(13,610)	66,525	66,525	52,915	63,890
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....	636,927		94,614	87,441	516,089	636,927	629,754	620,343
15. Total Bonds & Preferred Stock .....	23,357,350	914,443	617,717	447,413	21,430,620	23,357,350	24,101,489	21,805,644

**SCHEDULE DA - PART 1**

**Short - Term Investments Owned End of Current Quarter**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals .....	10,000,000	X X X	10,000,000	299,841	

**SCHEDULE DA - PART 2 - Verification**

**Short-Term Investments Owned**

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	10,000,000	10,000,000
2.	Cost of short-term investments acquired .....		
3.	Increase (decrease) by adjustment .....		
4.	Increase (decrease) by foreign exchange adjustment .....		
5.	Total profit (loss) on disposal of short-term investments .....		
6.	Consideration received on disposal of short-term investments .....		
7.	Book/adjusted carrying value, current period .....	10,000,000	10,000,000
8.	Total valuation allowance .....		
9.	Subtotals (Lines 7 plus 8) .....	10,000,000	10,000,000
10.	Total nonadmitted amounts .....		
11.	Statement value (Lines 9 minus 10) .....	10,000,000	10,000,000
12.	Income collected during period .....	111,236	377,657
13.	Income earned during period .....	111,236	377,657

**15      Schedule DB Part F Section 1 ..... NONE**

**16      Schedule DB Part F Section 2 ..... NONE**



**SCHEDULE S - CEDED REINSURANCE**  
**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
<b>Accident and Health - Non-affiliates</b>						
67105 .....	41-0451140 .....	.....	RELIASTAR LIFE INS CO .....	Minneapolis, Minnesota .....	..... SSL/A/I .....	..... Yes[X] No[ ] .....

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

**Current Year to Date - Allocated by States and Territories**

		1 Is Insurer Licensed (Yes or No)	Direct Business Only							
			2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
State, Etc.										
1.	Alabama (AL)	No								
2.	Alaska (AK)	No								
3.	Arizona (AZ)	No								
4.	Arkansas (AR)	No								
5.	California (CA)	No								
6.	Colorado (CO)	No								
7.	Connecticut (CT)	No								
8.	Delaware (DE)	No								
9.	District of Columbia (DC)	No								
10.	Florida (FL)	No								
11.	Georgia (GA)	No								
12.	Hawaii (HI)	No								
13.	Idaho (ID)	No								
14.	Illinois (IL)	No								
15.	Indiana (IN)	No								
16.	Iowa (IA)	No								
17.	Kansas (KS)	No								
18.	Kentucky (KY)	No								
19.	Louisiana (LA)	No								
20.	Maine (ME)	No								
21.	Maryland (MD)	No								
22.	Massachusetts (MA)	No								
23.	Michigan (MI)	Yes			238,250,049				238,250,049	
24.	Minnesota (MN)	No								
25.	Mississippi (MS)	No								
26.	Missouri (MO)	No								
27.	Montana (MT)	No								
28.	Nebraska (NE)	No								
29.	Nevada (NV)	No								
30.	New Hampshire (NH)	No								
31.	New Jersey (NJ)	No								
32.	New Mexico (NM)	No								
33.	New York (NY)	No								
34.	North Carolina (NC)	No								
35.	North Dakota (ND)	No								
36.	Ohio (OH)	No								
37.	Oklahoma (OK)	No								
38.	Oregon (OR)	No								
39.	Pennsylvania (PA)	No								
40.	Rhode Island (RI)	No								
41.	South Carolina (SC)	No								
42.	South Dakota (SD)	No								
43.	Tennessee (TN)	No								
44.	Texas (TX)	No								
45.	Utah (UT)	No								
46.	Vermont (VT)	No								
47.	Virginia (VA)	No								
48.	Washington (WA)	No								
49.	West Virginia (WV)	No								
50.	Wisconsin (WI)	No								
51.	Wyoming (WY)	No								
52.	American Samoa (AS)	No								
53.	Guam (GU)	No								
54.	Puerto Rico (PR)	No								
55.	U.S. Virgin Islands (VI)	No								
56.	Northern Mariana Islands (MP)	No								
57.	Canada (CN)	No								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X			238,250,049				238,250,049	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	Total (Direct Business)	(a) 1			238,250,049				238,250,049	
DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**  
**MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

**Caidan Enterprises, Inc.** (Federal Employer Identification # 52-2422207)

Organization Governance and Ownership Structure:

Equity Shareholders

Board of Directors

Shareholders at Sept. 30, 2007:

D. Cotton, M.D.	32.4%
S. Cotton	31.6%
J. Cotton	10% - Non Voting Stock
S. Cotton	10% - Non Voting Stock
M. Cotton	10% - Non Voting Stock
T. Lauzon	6%
	100%

**Health Plan of Michigan, Inc.** (MI; NAIC # 52563; Federal Employer Identification # 38-3253977)

Organization Governance and Ownership Structure:

Equity Shareholders

Board of Directors

Shareholders at Sept. 30, 2007: Caidan Enterprises, Inc. 100%

**Meridian Health Plan, Inc.** (DE, Federal Employer Identification # 20-5822334)

Organization Governance and Ownership Structure:

Equity Shareholders

Board of Directors

Shareholders at Sept. 30, 2007: Caidan Enterprises, Inc. 100%

**Caidan Management Company, Inc.** (MI, Federal Employer Identification # 36-4559356)

Organization Governance and Ownership Structure:

Equity Shareholders

Board of Directors

Shareholders at Sept. 30, 2007: Caidan Enterprises, Inc. 100%

**SCHEDULE Y - INFORMATION CONCERNING ACTI**  
**MEMBERS OF A HOLDING COMPANY GROU**  
**PART 1 - ORGANIZATIONAL CHART**

**Meridian Health Plan, Inc.** (IL, Federal Employer Identification #20-3209671)

Organization Governance and Ownership Structure:

Equity Shareholders

Board of Directors

Shareholders at Sept. 30, 2007: Caidan Enterprises, Inc.    100%

**Health Management, Inc.** (common ownership with Health Plan of Michigan, Inc. majority stockholder)

(Federal Employer Identification # 38-3360283)

Shareholders at Sept. 30, 2007: D. Cotton, M.D.                      100%

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



52563200736500003

2007

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

ASSETS

	Current Statement Date			4  December 31, Prior Year Net Admitted Assets
	1  Assets	2  Nonadmitted Assets	3  Net Admitted Assets (Cols. 1 - 2)	
2304. Pre-Paid Expenses .....	.....	.....	.....	.....
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396) ....	.....	.....	.....	.....

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year
4704. 0 .....	.....	.....	.....
4705. ....	.....	.....	.....
4706. Repurchase of Stock .....	.....	.....	.....
4707. 0 .....	.....	.....	.....
4708. 0 .....	.....	.....	.....
4709. 0 .....	.....	.....	.....
4710. 0 .....	.....	.....	.....
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796) .....	.....	.....	.....

**E01      Schedule A Part 2 ..... NONE**

**E01      Schedule A Part 3 ..... NONE**

**E02      Schedule B Part 1 ..... NONE**

**E02      Schedule B Part 2 ..... NONE**

**E03      Schedule BA Part 1 ..... NONE**

**E03      Schedule BA Part 2 ..... NONE**

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
530718AF2 .....	Liberty Media New Sr .....		09/21/2007 ....	Various .....	X X X ....	99,488	90,000.00	308	3 .....
0399999 Subtotal - Bonds - U.S. Governments .....					X X X ....	99,488	90,000.00	308	X X X ....
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
02261WAB5 .....	Alza Corp .....		09/05/2007 ....	Various .....	X X X ....	64,286	75,000.00		1FE .....
143658AN2 .....	Carnival Corp .....		08/03/2007 ....	Morgan Stanley .....	X X X ....	11,665	10,000.00	63	1FE .....
46625MKK4 .....	CMO JP Morgan .....		09/26/2007 ....	Various .....	X X X ....	217,174	214,891.00		1Z .....
548661CG0 .....	Lowes Cos .....		09/28/2007 ....	Merrill Lynch .....	X X X ....	5,092	5,000.00		1FE .....
590188W46 .....	Merrill Lynch .....		07/25/2007 ....	Various .....	X X X ....	65,631	55,000.00		1FE .....
629568AL0 .....	Nabors Industries .....		07/30/2007 ....	Various .....	X X X ....	26,073	25,000.00		1FE .....
983024AD2 .....	Wyeth .....		07/25/2007 ....	JP Morgan .....	X X X ....	5,410	5,000.00	10	1FE .....
4599999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) .....					X X X ....	395,331	389,891.00	73	X X X ....
6099997 Subtotal - Bonds - Part 3 .....					X X X ....	494,819	479,891.00	381	X X X ....
6099998 Summary Item for Bonds Bought and Sold This Quarter .....					X X X ....	X X X ....	X X X ....	X X X ....	X X X ....
6099999 Subtotal - Bonds .....					X X X ....	494,819	479,891.00	381	X X X ....
6599998 Summary Item for Preferred Stock Bought and Sold This Quarter .....					X X X ....	X X X ....	X X X ....	X X X ....	X X X ....
7299998 Summary Item for Common Stock Bought and Sold This Quarter .....					X X X ....	X X X ....	X X X ....	X X X ....	X X X ....
7399999 Subtotal - Preferred and Common Stocks .....					X X X ....		X X X ....		X X X ....
7499999 Total - Bonds, Preferred and Common Stocks .....					X X X ....	494,819	X X X ....	381	X X X ....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.



**SCHEDULE D - PART 4**  
**Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of**  
**by the Company During the Current Quarter**

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
CUSIP Identification	Description	g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	11	12	13	14	15	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
										Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Governments																					
3128PES33	Fed Home Ln Mtg		09/17/2007	Principal Receipt	X X X	7,747	7,747.00	8,294	7,827		(80)		(80)		7,747				623	08/01/2016	1FE
31335HVE0	Federal Home Ln 90613		09/17/2007	Principal Receipt	X X X	6,197	6,604.00	6,012			185		185		6,197				349	01/01/2023	1FE
31392VKN1	FHR 2497 NF		09/17/2007	Principal Receipt	X X X	3,229	3,229.00	13,770	3,301		(72)		(72)		3,229				235	01/15/2016	1FE
31392HWD1	FNMA 2003-3HD		09/25/2007	Principal Receipt	X X X	4,904	4,904.00	14,656	4,969		(65)		(65)		4,904				246	09/25/2016	1FE
31393DGS4	FNMA 2003-65KL		09/25/2007	Principal Receipt	X X X	22,615	22,615.00	31,800	22,806		(190)		(190)		22,615				970	09/25/2013	1FE
31371MBN6	FNMA 255745		09/25/2007	Principal Receipt	X X X	6,668	6,668.00	7,456	6,571		97		97		6,668				452	05/01/2025	1FE
31393CRC9	FNR 2003		08/27/2007	Various	X X X	4,077	4,077.00	33,049	4,119		(41)		(41)		4,077				239	08/25/2026	1FE
0399999 Subtotal - Bonds - U.S. Governments					X X X	55,437	55,844.00	115,037	49,593		(166)		(166)		55,437				3,114	X X X	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
031162AN0	Amgen Inc		08/23/2007	Warburg Dillon	X X X	57,877	65,000.00	64,411	64,411		92		92		64,503		(6,626)	(6,626)	87	02/01/2011	1FE
143658AV4	Carnival Corp		08/03/2007	Merrill Lynch	X X X	55,753	85,000.00	60,616	60,718		157		157		60,875		(5,122)	(5,122)	746	04/29/2033	1FE
156700AH9	Century Tel Inc		07/24/2007	JP Morgan	X X X	66,364	55,000.00	58,644	58,644		(2,216)		(2,216)		56,428		9,936	9,936	2,583	08/01/2032	1FE
186118AJ4	Cleveland Electric		07/02/2007	Maturity	X X X	200,000	200,000.00	208,163	202,429		(2,429)		(2,429)		200,000				14,260	07/01/2007	1FE
268648AK8	EMC Corp		09/25/2007	Various	X X X	7,114	5,000.00	5,191	5,191		(28)		(28)		5,163		1,951	1,951	76	12/01/2011	1FE
459902AP7	International Game Tech		09/11/2007	Various	X X X	39,140	40,000.00	39,450	39,450		8		8		39,458		(318)	(318)	763	12/15/2036	1FE
530715AN1	Liberty Media		07/16/2007	Exchange	X X X	171	171.00	173	173		(2)		(2)		171				181	01/15/2031	1FE
88164RAB3	Teva Pharm		09/19/2007	Various	X X X	19,381	15,000.00	15,742	15,742		(427)		(427)		15,315		4,066	4,066	39	02/01/2024	1FE
4599999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	445,800	465,171.00	452,390	446,758		(4,845)		(4,845)		441,913		3,887	3,887	18,735	X X X	X X X
6099997 Subtotal - Bonds - Part 4					X X X	501,237	521,015.00	567,427	496,351		(5,011)		(5,011)		497,350		3,887	3,887	21,849	X X X	X X X
6099998 Summary Item for Bonds Bought and Sold This Quarter					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6099999 Subtotal - Bonds					X X X	501,237	521,015.00	567,427	496,351		(5,011)		(5,011)		497,350		3,887	3,887	21,849	X X X	X X X
Preferred Stock - Industrial and Miscellaneous (Unaffiliated)																					
G16962204	Bunge Ltd		09/28/2007	Various		310,000	40,902	34,008							34,008		6,895	6,895	378	X X X	P1L
15189T206	Centerpoint Energy		09/10/2007	Various		1,560,000	54,834	60,607	59,977	629			629		60,607		(5,772)	(5,772)	4,140	X X X	P1L
6399999 Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)					X X X	95,736	X X X	94,615	59,977	629			629		94,615		1,123	1,123	4,518	X X X	X X X
6599997 Subtotal - Preferred Stock - Part 4					X X X	95,736	X X X	94,615	59,977	629			629		94,615		1,123	1,123	4,518	X X X	X X X
6599998 Summary Item for Preferred Stock Bought and Sold This Quarter					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6599999 Subtotal - Preferred Stock					X X X	95,736	X X X	94,615	59,977	629			629		94,615		1,123	1,123	4,518	X X X	X X X
7299998 Summary Item for Common Stock Bought and Sold This Quarter					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
7399999 Subtotal - Preferred and Common Stocks					X X X	95,736	X X X	94,615	59,977	629			629		94,615		1,123	1,123	4,518	X X X	X X X
7499999 Total - Bonds, Preferred and Common Stocks					X X X	596,973	X X X	662,042	556,328	629	(5,011)		(4,382)		591,965		5,010	5,010	26,367	X X X	X X X

QE05

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

**E06      Schedule DB Part A Section 1 ..... NONE**

**E06      Schedule DB Part B Section 1 ..... NONE**

**E07      Schedule DB Part C Section 1 ..... NONE**

**E07      Schedule DB Part D Section 1 ..... NONE**

**SCHEDULE E - PART 1 - CASH**

**Month End Depository Balances**

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Northern Trust, New York, NY	Money Market Account .....						75,676	75,676	294,844	X X X
Lasalle Bank, Troy, MI .....	Money Market Account .....						155,243	155,294	155,660	X X X
Lasalle Bank, Troy, MI .....	Concentration Account .....						28,112,784	26,931,715	31,624,089	X X X
Lasalle Bank, Troy, MI .....	Commercial Paper .....						399,820	415,166	430,504	X X X
Lehman Borthers Inc, 190 S. La Salle St., Chicago, IL 60603 .....	Commercial Paper .....						376,416	392,391	336,932	X X X
Northern Trust, New York, NY	Money Market Account .....						9,982	9,982	11,900	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X	.. X X X ..						X X X
0199999 Totals - Open Depositories .....			X X X	.. X X X ..			29,129,921	27,980,225	32,853,930	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....			X X X	.. X X X ..						X X X
0299999 Totals - Suspended Depositories .....			X X X	.. X X X ..						X X X
0399999 Total Cash On Deposit .....			X X X	.. X X X ..			29,129,921	27,980,225	32,853,930	X X X
0499999 Cash in Company's Office .....			X X X	.. X X X ..	X X X	X X X				X X X
0599999 Total Cash .....			X X X	.. X X X ..			29,129,921	27,980,225	32,853,930	X X X

**E09      Schedule E Part 2 Cash Equivalents ..... NONE**

**Supp1      Medicare Part D Coverage Supplement ..... NONE**

**ACT      Actuarial Statement ..... NONE**

**AEP      Amended Explanation ..... NONE**

**INDEX TO HEALTH  
QUARTERLY STATEMENT**

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11

Accounting Practices and Policies; Q5; Q10, Note 1

Admitted Assets; Q2

Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05

Bonuses; Q3; Q4; Q8; Q9

Borrowed Funds; Q3; Q6

Business Combinations and Goodwill; Q10, Note 3

Capital Gains (Losses)

    Realized; Q4

    Unrealized; Q4; Q5

Capital Stock; Q2; Q10, Note 13

Capital Notes; Q6; Q10, Note 11

Caps; QE06

Cash; Q2; Q6; QE08

Cash Equivalents; Q2; Q6

Claims; Q3; Q8

Collars; QE07

Commissions; Q6

Common Stock; Q2; Q3; Q6; Q11.1; Q11.2

Cost Containment Expenses; Q4

Contingencies; Q10, Note 14

Counterparty Exposure; Q10, Note 8

Debt; Q10, Note 11

Deferred Compensation; Q10, Note 2

Derivative Instruments; Q10, Note 8; Q14; Q15; QE06; QE07

Discontinued Operations; Q10, Note 4

Electronic Data Processing Equipment; Q2

Encumbrances; Q2; QE01

Emergency Room; Q4

Expenses; Q3; Q4; Q6

Extinguishment of Liabilities; Q10, Note 17

Extraordinary Item; Q10, Note 21

Fee for Service; Q4

Foreign Exchange; Q2; Q3; Q5; Q12; QE01; QE02; QE04; QE05

Forwards; QE07

Furniture, Equipment and Supplies; Q2

Guaranty Fund; Q2; Q18

Health Care Receivables; Q2; Q9; Q10, Note 28

Hospital/Medical Benefits; Q4

Incentive Pools; Q3; Q4; Q9

Income; Q4; Q5

Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9

Incurred Claims and Claim Adjustment Expenses; Q10, Note 25

Intercompany Pooling; Q10, Note 26

Investment Income; Q10, Note 7

    Accrued; Q2

    Earned; Q2; Q14

    Received; Q6

Investments; Q10, Note 5; Q11.1; Q11.2

Joint Ventures; Q10, Note 6

Leases; Q10, Note 15

Limited Liability Company (LLC); Q10, Note 6

Limited Partnership; Q10, Note 6

Long-Term Invested Assets; QE03

Managing General Agents; Q10, Note 19

Medicare Part D Coverage; QSupp1

Member Months; Q4; Q7

Mortgage Loans; Q2; Q6; Q11.1; QE02

Non Admitted Assets; Q2; Q5; Q12

Off-Balance Sheet Risk; Q10, Note 16

Options; QE06

Organizational Chart; Q11; Q19

Out-of-Area; Q4

Outside Referrals; Q4

Parents, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1

Participating Policies; Q10, Note 29

Pharmaceutical Rebates; Q10, Note 28

Policyholder Dividends; Q6

Postemployment Benefits; Q10, Note 12

Postretirement Benefits; Q10, Note 12

Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2

Premium Deficiency Reserves; Q10, Note 30

**INDEX TO HEALTH  
QUARTERLY STATEMENT**

Premiums and Considerations

- Advance; Q3
- Collected; Q6
- Deferred; Q2
- Direct; Q7; Q18
- Earned; Q7
- Retrospective; Q2
- Uncollected; Q2
- Unearned; Q4; Q7
- Written; Q4; Q7

Prescription Drugs; Q4

Quasi Reorganizations; Q10, Note 13

Real Estate; Q2; QE01

Redetermination, Contracts Subject to; Q10, Note 24

Reinsurance; Q10, Note 23

- Ceded; Q3; Q17
- Funds Held; Q2
- Payable; Q3
- Premiums; Q3
- Receivable; Q2; Q4
- Unauthorized; Q3; Q5

Reserves

- Accident and Health; Q3; Q4
- Claim; Q3; Q5; Q8
- Life; Q3

Retirement Plans; Q10, Note 12

Retrospectively Rated Policies; Q10, Note 24

Risk Revenue; Q4

Salvage and Subrogation; Q10, Note 31

September 11 Events; Q10, Note 20

Servicing of Financial Assets; Q10, Note 17

Short-Term Investments; Q2; Q6; Q11.1; Q14

Stockholder Dividends; Q5

Subsequent Events; Q10, Note 22

Surplus; Q3; Q5; Q10, Note 13

Surplus Notes; Q3; Q5; Q6

Swaps; QE07

Synthetic Assets; Q15; Q16

Third Party Administrator; Q10, Note 19

Treasury Stock; Q3; Q5

Uninsured Accident and Health; Q2; Q3; Q10, Note 18

Valuation Allowance; Q12; Q14

Wash Sales; Q10, Note 17

Withholds; Q4; Q8